

ASSEMBLY BILL

No. 563

Introduced by Assembly Member Cook

February 25, 2009

An act to amend Section 18707 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 563, as introduced, Cook. Personal income taxes: contributions: California Military Family Relief Fund.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Military Family Relief Fund to provide financial aid grants to eligible reserve members of the Armed Forces of the United States who are California residents and requires all moneys transferred to the fund to be allocated as specified.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18707 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 18707. All moneys transferred to the California Military Family
- 4 Relief Fund, upon appropriation by the Legislature, shall be
- 5 allocated as follows:

1 (a) To the Franchise Tax Board and the Controller for
2 reimbursement of all costs incurred by the Franchise Tax Board
3 and the Controller in connection with their duties ~~under~~ pursuant
4 to this article.

5 (b) (1) (A) To the Military Department for the establishment
6 of financial aid grants to reserve members of the Armed Forces of
7 the United States who are California residents, *and* who have been
8 called to active duty. Moneys transferred to the California Military
9 Family Relief Fund before January 1, 2009, shall be reserved for
10 the California National Guard. Grants to the members of the
11 California National Guard shall first be distributed from moneys
12 transferred to the California Military Family Relief Fund before
13 January 1, 2009, and only after these moneys are exhausted shall
14 these grants be awarded from moneys transferred to the California
15 Military Family Relief Fund on and after January 1, 2009. The
16 Military Department shall establish eligibility criteria for the grants.

17 (B) On or after January 1, 2009, the California National Guard
18 may make moneys transferred to the California Military Family
19 Relief Fund before January 1, 2009, up to one hundred thousand
20 dollars (\$100,000), available for distribution to qualified members
21 of the reserve component, excluding members of the California
22 National Guard, until adequate moneys are available to ensure that
23 all approved grants are funded. These distributed moneys shall be
24 repaid to the California National Guard with moneys transferred
25 to the California Military Family Relief Fund on and after January
26 1, 2009.

27 (2) It is the intent of the Legislature that every qualified reserve
28 member, regardless of branch, in need of emergency assistance be
29 able to receive a grant. In order to ensure that the grants awarded
30 pursuant to this article are administered objectively, the awarding
31 of grants from the California Military Family Relief Fund shall be
32 governed by a Memorandum of Agreement, developed by a
33 working group comprised of representatives from at least three
34 reserve components ~~that describe~~, *that describes* the procedures
35 and requirements for participation in the grant program. All
36 organizations participating in the grant program must be signatories
37 of the Memorandum of Agreement.

38 (3) In addition to criteria established by the Military Department
39 pursuant to paragraph (1), reserve members of the Armed Forces

1 of the United States who are California residents shall show proof
2 of all of the following to be eligible to receive a grant:

3 (A) Membership in the Armed Forces of the United States.

4 (B) Residency in California.

5 (C) Deployment to active duty for at least 60 consecutive days.

6 (D) One of the following:

7 (i) The military salary of the member, combined with any
8 ongoing partial receipt of civilian salary, has decreased by 10
9 percent or more from the member's civilian salary, or the
10 household income of the member's family has decreased by 10
11 percent or more from the member's household income prior to
12 deployment.

13 (ii) The member, within six months of returning from active
14 duty, has experienced a 10-percent loss, or greater, in income,
15 compared to predeployment income, as a direct result of
16 deployment.

17 (4) Grants awarded pursuant to this article may only be used
18 for any of the following: food, housing, child care, utilities, medical
19 services, medical prescriptions, insurance, and vehicle-related
20 payments.

21 (5) Reserve members of the Armed Forces of the United States
22 who are California residents ~~may~~ *shall* not be eligible to receive
23 a grant if the member receives a punitive discharge or an
24 administrative discharge with service characterized as under other
25 than honorable conditions.

26 (6) Reserve members of the Armed Forces of the United States
27 who are awarded grants pursuant to this article may be required
28 to receive counseling, within a specified time period, as a condition
29 of the grants.